

FILED  
UNITED STATES DISTRICT COURT CLERKS OFFICE  
DISTRICT OF MASSACHUSETTS

2004 JUN -3 P 3:07

ERIC R. BAHE, Custodian, CGM Roth  
Conversion IRA,

Plaintiff,

VS.

FRANKLIN/TEMPLETON  
DISTRIBUTORS, INC., FRANK T.  
CROHN, BURTON J. GREENWALD,  
CHARLES RUBENS II, LEONARD  
RUBIN, and WILLIAM J. LIPPMAN,

Defendants, and

FRANKLIN BALANCE SHEET  
INVESTMENT FUND,

Nominal Defendant.

U.S. DISTRICT COUR  
DISTRICT OF MASS

Civil Action No.

JURY TRIAL DEMANDED

04 - 11195 PBS

MAGISTRATE JUDGE

Bowler

DERIVATIVE COMPLAINT

INTRODUCTION

1 This is an action brought by the Plaintiff against the Defendants, derivatively on behalf of the Franklin Balance Sheet Investment Fund (the "Fund") for breach by the Defendants of their fiduciary duty to the Fund and the Fund's shareholders and for violation of Section 36(b) of the Investment Company Act of 1940 (the "Investment Company Act"), 15 U.S.C. §80a-35(b). Plaintiff alleges herein that Defendant Franklin/Templeton Distributors, Inc. ("Distributors") breached its fiduciary duty to the Fund and its shareholders and violated Section 36(b) of the Investment Company Act by charging and receiving from the Fund, Rule